

BUDGET LETTER

NUMBER: 97-01

SUBJECT: 1997-98 BUDGET CHANGE LETTERS (FINANCE LETTERS)

DATE ISSUED: JANUARY 16, 1997

REFERENCES: BUDGET LETTERS 96-08 AND 96-09
MANAGEMENT MEMO 96-28

SUPERSEDES: 96-01

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: Each department with a Capital Outlay program should provide a copy of this Budget Letter to its facility manager. Similarly, please provide a copy to Information Technology Officers.

FINANCE LETTERS

All proposed Finance Letters, regardless of funding source must be submitted to the Department of Finance (DOF) no later than February 14, 1997. Proposed Spring Finance Letters are limited to: a) updating proposals made in January, b) submitting any new proposal of critical importance that has arisen since the Fall budget process, c) Year 2000 funding requests, and d) making technical changes to Capital Outlay projects.

The February 14 deadline must be strictly adhered to in order for the Administration to comply with recent statutory changes in the time and manner in which revisions are made to the Governor's Budget. As referenced in Finance Memo 96-08 issued July 26, 1996, Chapter 201, Statutes of 1996, requires the DOF to provide to the Legislature, by April 1, all proposed policy adjustments with the exception of Capital Outlay adjustments, which are to be submitted to the Legislature by May 1.

The February 14 deadline applies to those policy changes due to the Legislature by April 1 and technical Capital Outlay adjustments due by May 1.

Prior to submitting Finance Letter requests to DOF, departments should contact the appropriate Finance Program Budget Manager to determine if the request represents a critical adjustment. If a department has a number of proposals, we would encourage submission of the proposals earlier and on a flow basis.

INFORMATION TECHNOLOGY (IT) FINANCE LETTERS

Finance Letters for Year 2000 activities must be submitted by February 14, 1997, and should be documented in accordance with Budget Letter 96-09. Pursuant to Management Memo 96-28, the Department of Information Technology (DOIT) is requiring a Year 2000 inventory, assessment and plan, all to be completed no later than June 1, 1997. Departments are encouraged to have completed these activities prior to submission of their funding request.

A number of information technology project proposals were deferred for re-consideration in the Spring. Finance Letters requesting funding for these information technology projects require DOIT approval of a Feasibility Study Report (FSR) or Special Project Report (SPR). Departments must submit their FSR or SPR to the DOIT and DOF Technology Investment Review Unit (TIRU) by February 3, 1997.

Finance Letters for IT requests are to be submitted in duplicate.

MAY REVISION

Chapter 201 also accelerates the deadline from May 21 to May 14 for submission of the traditional May Revision to the Legislature. The May Revision will include updated estimates of revenues, proposals to reduce expenditures to reflect updated revenue estimates, proposals to adjust Proposition 98 and enrollment, caseload and population (ECP) programs. Therefore, those departments traditionally affected by ECP changes should discuss with their DOF budget analyst appropriate submission dates to ensure compliance with the May 14 deadline.

If you have any general questions, please contact your DOF budget analyst, or TIRU analyst for IT requests.

A handwritten signature in black ink, reading "Lafenus Stancell". The signature is written in a cursive style with a horizontal line above it.

LAFENUS STANCELL
Chief Deputy Director